DON Consolidated Card Program Management Division

Update Lesson

APC Travel Card Delinquency Management

Slide # 1   4 July 2005

This is the APC Travel Card Delinquency Management update lesson.   It is designed to provide background information and several practical methods for managing Travel Card Delinquency.

Please click the forward arrow now to start your training.

DON Consolidated Card Program Management Division

Update Lesson Learning Objectives

Upon successful completion of this lesson, you will be able to:

- Understand the Negative Impact of High Delinquency

- Identify EAGLS Reports Useful in Managing Delinquencies

- Establish an Email Early Warning Program

- Create a Delinquency Master List using Excel

- Guide Cardholders Toward "Zero Delinquencies"

Slide # 2   4 July 2005

These are the five main objectives of this lesson.   Read them now and when you are ready to continue, please click the forward arrow.

Delinquency

A delinquent account is an account not paid IN FULL within 60 days of the statement closing date.

Slide # 3   4 July 2005

A Travel Card account is considered delinquent when the outstanding balance is not paid in full, 60 days from the statement closing date. All commands are required to keep their delinquency rate below 2%.   The delinquency rate is the total dollars past due divided by the total unpaid balance.

Please click the forward arrow to continue.

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Causes of Delinquency

- Travel vouchers not ***filed within 5 days*** of completing travel or every 30 days for long-term travel

- Travel Card balance ***not paid in full*** before the due date

- Not using the ***Split Disbursement*** to avoid delinquency

- Not conducting policy awareness ***refresher training***
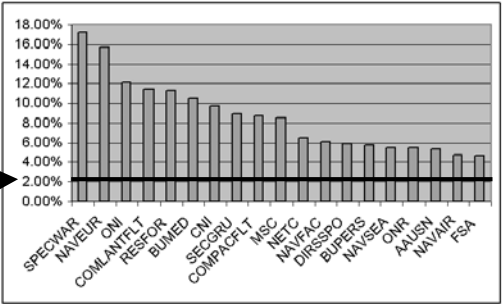
Slide # 4   4 July 2005

Here are a few causes of delinquent accounts. If your Cardholders don't file travel vouchers in a timely manner, fail to pay their statements in full by the due date, or don't use the Split Disbursement, delinquent accounts could be the end result.

APCs should conduct refresher training and encourage cardholders to remain aware of the delinquency timeline and the consequences of delinquencies.
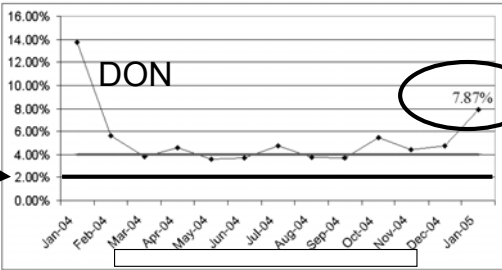
Delinquent accounts have ramifications much larger than just the impact to the individual cardholder. Click the forward arrow and we will discuss the impact of delinquent accounts on the Department of the Navy.

Travel Card Program, Delinquency Management

The Consolidated Card Program Management Division measures and tracks the department's overall delinquency rate.   Our departmental goal is to have 2.0% or less dollars delinquent.   As shown here, in January 2005, 19 of 21 commands were over that goal.   Our overall delinquency rate for that period was 7.87%.

Delinquent Travel Card accounts cost the cardholder and the taxpayer money.   Cardholders are charged a late fee when their account is not paid within 75 days past the statement date.

Click the forward arrow now and we will look at ways to drive your command's delinquencies toward zero.

Controlling Travel Card Delinquencies
Steps To Success

Step 1. You **Must** Use EAGLS Reporting Tools

Step 2. Run Pre-Suspension Report At "Hierarchy Level Detail"

Step 3. Run Delinquency Report At "Hierarchy Level"

Slide # 6   4 July 2005

EAGLS has several reports that can help you manage delinquent accounts. The two most important are 1) the Pre-Suspension Report at Hierarchy Level Detail and 2) the Delinquency Report at Hierarchy Level.   The next group of slides present a process for using the Pre-Suspension Report to implement an Email Early Warning system for cardholders about to become delinquent.

Click the forward arrow now.

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EAGLS <u>Pre</u>-Suspension Report

"An Ounce of Prevention is Worth a Pound of Cure"

Benjamin Franklin

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1. Run Report 11 Days After Billing Cycle Ends
2. Day Report Is Run, ***<u>Send 1st Email To Each Person</u>*** On Pre-suspension Report - With Read Receipt!
3. Five Days After 1st Email, ***<u>Send 2nd Email To Those Still On Pre-suspension Report</u>*** With Copy To Their Supervisor, Again With Read Receipt!
4. Five Days After 2nd Email, ***<u>Send 3rd Email To Those Still Delinquent With Copy To The "World":</u>***

> Supervisor, Division/Branch Head, Department Head, Security, Commanding Officer, Executive Officer - If Civilian To Senior Civilian; If Military To Command Master Chief

Slide # 7   4 July 2005

These four steps can be the "Ounce of Prevention" that save you hours of work trying to 'Cure' a delinquency problem.   Stop delinquencies **<u>before</u>** they happen.

Run the EAGLS Pre-Suspension Report at the Hierarchy Detail Level 11 days after the billing cycle ends. This is adequate time for prompt payments to have processed through the system.   On the day you run the report, send an email to each person on the report.   The slide after next shows a sample of that email – just a friendly reminder.

Run the report again in five days and send a second email and copy the Cardholder's supervisor.   You will see a sample of this email in a slide which follows.

Finally, five days after the second email, re-run the report and send the third email notice to anyone still on the report.   This time, as shown here, copy the world.   The end result of all these emails should be a dramatically reduced number of delinquent accounts and, hopefully, reduced cost to the cardholder.

The next four slides are samples of the emails for each step of this Early Warning Notification System and a sample copy of the Pre-Suspension Report.   Click the forward arrow now to see these samples.

EAGLS Pre-Suspension Report

Search Criteria:	HL1	HL2	HL3	HL4	HL5	HL6
	1	2000002	3048599	4048610		

Hierarchy Name: COMNAVSURFLANT

Hierarchy:	HL1	HL2	HL3	HL4	HL5	HL6
	1	2000002	3048599	4048610	0	0

Account Name	Social Security #	Account Number	Billing Type	Last Statement Balance	Past Due Amount
CARHHOLDER #1	999-99-9999	9999 9999 9999 9999	INDIVIDUAL	$40.52	$40.52
CARHHOLDER #2	999-99-9999	9999 9999 9999 9999	INDIVIDUAL	$450.96	$69.51
CARHHOLDER #3	999-99-9999	9999 9999 9999 9999	INDIVIDUAL	$389.06	$389.06
CARHHOLDER #4	999-99-9999	9999 9999 9999 9999	INDIVIDUAL	$763.18	$98.52
IBA Hierarchy Totals:		4	INDIVIDUAL	$1,643.72	$597.61
Hierarchy Totals:		4		$1,643.72	$597.61

Slide # 8   4 July 2005

This is the Pre-Suspension Report.   Each cardholder listed here should be sent an email as just described in the previous slides.   Click the forward arrow to continue.

1ˢᵗ Email

11 Days After Billing Cycle Ends
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To: Cardholder Only

Subject: Your Government Travel Charge Card

> The purpose of this email is to inform you that the Bank of America pre-suspension report for this month contains your account with an overdue balance of $389.06. Your assistance in resolving this as soon as possible would be greatly appreciated. Please advise me by email of the current status, and if I can be of any assistance.

Thank you,

R/APC

Slide # 9   4 July 2005

This is a sample of the first email notice. Click the forward arrow when you're ready to look at the next sample email.

Travel Card Program, Delinquency Management

2nd Email

Five Days After 1st Email
———————

To: Cardholder
CC: Cardholder's Supervisor
Subject: Your Government Travel Charge Card - 2nd Notice

The monthly Bank of America pre-suspension report indicates that a portion or all of your government travel charge card account will be 60 days past due and your card suspended if your overdue balance is not paid by the 17th of this month in accordance with DOD/Bank of America policy. We are required to report all charge card accounts that reach 90 days past due to security and this may affect your security clearance. It is requested that you notify Code ____ of your actions to resolve this issue (i.e. date of payment, amount, place, and method) so that we may in turn maintain this information for our records for possible reporting requirements or audit purposes. All responses should be forwarded to (APC's email address).

Thank you,
R/APC

Slide # 10   4 July 2005

The second email notice points out some of the consequences of allowing an account to go delinquent. It is also copied to the cardholder's supervisor. Click the forward arrow when you are ready to advance.

Version 1.0

3rd Email

Five Days After 2nd Email

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To: Cardholder

CC: Cardholder's Supervisor, Branch Head, Division Head, Command Senior
 Civilian, Executive Officer, Commanding Officer, and if cardholder is
 military employee-Department and Command Master Chief, etc.

Subject: Your Government Travel Charge Card - 3rd Notice

> The Bank of America pre-suspension report still shows your government
> travel charge card account with an overdue balance of $389.06. If this
> overdue balance is not paid by the 17th of this month, your travel card
> account will be suspended in accordance with DOD/Bank of America policy.
> There are only a few days remaining to prevent suspension. Please notify
> Code ___ (APC's Email address) of actions taken to resolve this issue.

Thank you,
R/APC

Slide # 11   4 July 2005

The third email notice strongly indicates that time is short to avoid suspension for
delinquency.   It is copied to a much broader group of individuals. Hopefully, this three
email notification approach will be successful in minimizing your delinquencies.

If you continue to have cardholders with delinquent accounts, you will need to "work" to get
them paid in full.   The EAGLS Delinquency Report is your next line of defense and our next
topic.   We will discusses ways to use this report to identify and manage delinquencies.
Click the forward arrow to continue.

EAGLS Delinquency Report

Most important report in managing your program!

- Ease of working with data

- Generate WEEKLY!

- Create an Excel Spreadsheet ***Delinquency Master List*** when the "As of" date is the 18th

Slide # 12   4 July 2005

The EAGLS Delinquency Report is the most important report in managing your program.   You should generate it weekly.   It should be used to identify and work with individual cardholders with delinquent accounts and to monitor and track the overall performance of your command in maintaining a delinquency rate below 2.0%.

Click the forward arrow to continue.

This is a sample of the EAGLS Hierarchy Delinquency Report.   This report lists all accounts in the hierarchy that have an unpaid balance for 30 days or more.   Unpaid balances are grouped in 30 day increments – 30, 60, 90, 120, 150 and 180+   This report also list total dollars for each 30 day increment.

Click the forward arrow and we will discuss a method to apply this information toward reducing delinquencies.

Delinquency Report
Excel Spreadsheet *Delinquency Master List*

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Update your hierarchy master list frequently

Curr_Bal	Pmt Made	30_Days	60_Days	90_Days	120_Days	150_Days	180_Days	#	Explanation
320,159		155,915	43,341	12,447	21,636	5,538	4,507		As of 1/18 in EAGLS
285,810	1,328	136,499	41,041	12,152	20,549	5,538	4,507		As of 1/20 in EAGLS
273,203	1,388	131,101	38,936	12,152	20,549	5,538	4,507		As of 1/21 in EAGLS
255,903	2,459	127,637	36,310	12,056	19,388	5,538	4,507		As of 1/22 in EAGLS
223,458	8,412	109,856	30,881	10,830	19,159	5,509	4,100		As of 1/24 in EAGLS
204,733	12,715	96,489	28,686	10,359	19,159	5,509	4,100		As of 1/27 in EAGLS
196,652	12,751	91,287	27,574	10,215	19,159	5,509	4,100		As of 1/28 in EAGLS

Slide # 14   4 July 2005

The first step is to create a Delinquency Master List using an Excel spreadsheet.   A sample is shown here.   The idea is to have a easy method of tracking your own progress at reducing the hierarchy's delinquencies.   Each time you run the Hierarchy Delinquency Report enter a new line of data into your Delinquency Master List as shown here. This will help you track the overall improvement as you work the issues.

Working the issues means communicating with the individual cardholders.   Click the forward arrow for a discussion of this process and the Hierarchy Delinquency Report.

Delinquency Report

Provide detailed explanations for each account

Curr_Bal	Pmt Made	30_Days	60_Days	90_Days	120_Days	150_Days	180_Days	#	Explanation
1,043		29	-	594	392	-	-	2	Set up Pmt plan w/ BoA
253		29	-	-	195	-	-		Sent to Sal Offset on 10/27
1,044		35	276	-	-	-	-	1	Paid off
1,007		736	271	-	-	-	-	1	Mbr made payment
1,171		1,103	68	-	-	-	-	1	Paid off
1,308		394	914	-	-	-	-	1	Mbr made payment
1,655		29	109	29	39	-	1,420	2	2nd SO pmt made 10/6
799		630	169	-	-	-	-	1	Mbr made payment
352		10	10	10	-	-	-		mbr stopped paying. Acct started
770		698	73	-	-	-	-	1	Paid off
556		10	10	10	-	-	-		mbr stopped paying. Acct started
971		625	345	-	-	-	-		
731		-	731	-	-	-	-		
1,305		90	713	473	-	-	-	5	Mbr paid for another mbr. Working
1,223		416	517	261	-	-	-		Awaiting Liquidation

Slide # 15   4 July 2005

Create a spreadsheet including each cardholder's data from the Delinquency Report. As you work with the cardholders, add comments in the explanation column to track the progress.

In summary, these are two specific "Best Practice" programs you can use to manage your commands Travel Card delinquencies – the Early Warning Email System based on the Pre-Suspension Report and the Delinquency Master List and Individual Account spreadsheets based on the Delinquency Report. Click the forward arrow now for additional suggests to keep delinquencies low.

General Recommendations

- Be Sure Everyone is Aware of and Knows How to Access and Pay Using **www.myeasypayment.com**

- Be Sure Everyone Knows Split Disbursement is ***Mandatory*** – Military and Civilian.

- Deactivate All Cards Not Used in Past 12 Months

- Add APC to Personnel Check In/Check Out Process

- APC Should Be included in New Employee Indoctrinations

Slide # 16   4 July 2005

Here are some general recommendations for managing delinquencies.   Bank of America's "myeasypayment.com" web can initiate a payment immediately by the use of electronic funds transfer rather than the U.S. Postal service.   Click the web address shown here to see the "myeasypayment" home page.

Click "Close" to continue.

Split Disbursement is now mandatory for both military and civilian personnel.   We will discuss this topic move in the next slide.   The remaining three topics listed here are long term measures for the elimination of Travel Card Delinquencies.

Click the forward arrow now and we will review the Split Disbursements policy.

Split Disbursement

- Billing cycle ends 17th of each month

- Statements mailed within 5 business days

- Payment goes directly to the Bank for Travel Card expenses

- Other expenses paid directly to the Cardholder

Slide # 17   4 July 2005

The Travel Card billing cycle ends on the 17th of each month and statements are mailed within 5 business days.

To help keep accounts current, cardholders must now use Split Disbursement when submitting a travel claim. Travel Card payments go directly to the Bank, therefore easing the cardholder's payment responsibility. The Bank receives direct payment for the specified amount and any remaining amount is directly reimbursed to the cardholder.

Please click the forward arrow to continue.

Misuse And Abuse
Message for Travel Cardholders

- Be Smart. Don't Abuse This Card.

- NAVSUP CCPMD Runs and Reviews "Suspected Abuse" Report Every Two Weeks

- Command Program Tells Us ***When*** You Are On Travel, And What ***Exact Charges*** You Made

- Command Program Tells Us Charges You Made When You Were ***Not*** On Travel

- Be Smart. ***Don't*** Abuse This Card.

Slide # 18

4 July 2005

Misuse and abuse of a Government Travel Charge Card can lead to many problems including account delinquencies.   The message to cardholders is, we're watching; be smart – don't abuse your card.   The CCPMD office continuously monitors Transaction Activity Reports.   Delinquencies can be an indicator of more than just late payment problems.

Please click the forward arrow to continue.

APC Action Plan

✓ Establish Schedule to Run EAGLS *Pre-Suspension* and *Delinquency* Reports

✓ Implement Pre-Suspension Email Notices

✓ Create Delinquency Master List

✓ Direct Delinquent Travel Cardholders to Take *Cardholder Delinquency Management Training*

Slide # 19   4 July 2005

Now you need a plan of action.   Please review the four steps listed here that can help you reduce your command's delinquency problems.   Implementing this plan can help manage delinquency and assist our cardholders by avoiding costly fees.

Please click the forward arrow to review the lesson objectives.

DON Consolidated Card Program Management Division

Review of Objectives

You should now be able to:

- Understand the Negative Impact of High Delinquency   (REVIEW)

- Identify EAGLS Reports Useful in Managing Delinquencies   (REVIEW)

- Establish an Email Early Warning Program   (REVIEW)

- Create a Delinquency Master List using Excel (REVIEW)

- Guide Cardholders Toward "Zero Delinquencies" (REVIEW)

Slide # 20   4 July 2005

Review the lesson objectives listed here.   You can click on the word REVIEW to return to the appropriate area of the lesson to review that material. When you finish reviewing the material, click the return arrow to come back to this page of objectives.   When you are ready, click the forward arrow to continue.

DON Consolidated Card Program Management Division

Update Lesson

APC Travel Card Delinquency Management

Slide # 21   4 July 2005

This concludes the update lesson for Travel Card APCs on how to manage delinquencies. Click the HOME button to return to the DON CCPMD Travel Card Website or simple close your browser window to exit the lesson.

Version 1.0